THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The International Monetary Fund (IMF) has been sharing its concern about the sustainability of high fiscal deficits in India in its annual reviews. In its recent issue of World Economic Outlook (April 2004), the IMF has emphasised the urgency of fiscal consolidation in the context of economic recovery.

(b) The Government is conscious of the need for addressing the problem of high fiscal deficits. An important step taken in this direction is the enactment of the Fiscal Reponsibility and Budget Management Act in 2003, which was notified on July 2, 2004 and came into force from July 5, 2004. As per the provisions of the Act and the rules made under it, the Government is required to take appropriate steps to eliminate revenue deficit and reduce the fiscal deficit to not more than 3 per cent of GDP by March 31, 2008. The Union Budget for 2004-05 envisages reduction of fiscal deficit to 4.4 per cent of GDP from 4.8 per cent in 2003-04 (RE). The revenue deficit is budgeted to decline to 2.5 per cent of GDP in 2004-05 from 3.6 per cent of GDP in 2003-04 (RE).

Evaluation of the requirement of judicial stamps

2124. SHRI S.S AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) the details of the mechanism involved in evaluation of State and Union territory-wise requirement of judicial and non-judicial stamps and papers, tracking the volumes of instruments delivered, sales proceeds collected at each Treasury and reconciliation with actual consumption of these instruments;

(b) whether Accountant general of the States and the Union Territories have been carrying out audit/scrutiny of these accounts of the judicial and non-judicial stamps and stamps papers' circulations at regular intervals;

(c) if, so, the details of instances of detection by them of mismatches, if any, during the last three years; and

(d) what action have been taken case-wise in follow up?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Rules for Supply & Distribution of Stamps framed by the Ministry of Finance, Department of Revenue under

Indian Stamps Act, 1899 lays down the mechanism for placing requirements by the States/Union Territories of Judicial and non-Judicial Stamps & stamps papers, their distribution, custody and sale as also their Accounts, Returns etc.,

(b) to (d) Details are being obtained from the Office of the Comptroller & Auditor General of India.

New monetary and credit policy for co-operative banks

2125 SHRI RAJKUMAR DHOOT
SHRI VIJAY J. DARDA.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Maharashtra has requested the Reserve Bank of India for a fresh look at the new monetary and credit policy in so for as it affects the co-operative banking sector in the context of cash crunch faced by the co-operative banks, arising from the requirement of investing a large portion of SLR funds in Government securities,

(b) whether requests have also been received from Co-operative Banking Sector in other States; and

(c) if so, the RBI's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) (a) to (c) Reserve Bank of India (RBI) has reported that it has not recently received any request from the Government of Maharashtra. However, representations from several Banking Federations and others have been received seeking fresh look at the monetary and credit policy. And the existing RBI guidelines 19 4 2001 to Urban Cooperative Banks (UCBs) to achieve higher percentage of their Net Demand and Time Liabilities (NDTL) in Government and other approved securities in a specified time frame given as under.

Category of UCBs	Investment in Govt. and other approved securities as a percentage of Net Demand and Time Liabilities (NDTL)			
	Prior to March 31, 2002	To achieve on or before March 31, 2002	to achieve by September 30, 2002	After April 1, 2003
Scheduled UCBs	15%	17 5%	20%	25%